

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6280

BILL NUMBER: SB 98

DATE PREPARED: Nov 21, 2000

BILL AMENDED:

SUBJECT: Notice of Property Tax Appeals.

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**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill provides that if the county auditor determines in a property tax appeal, that the assessed value of the items of property being appealed constitutes at least 1% of a taxing unit's total gross certified assessed value for the preceding year, the county auditor must notify the affected taxing unit of the following: (1) The taxpayer's petition for review by the county property tax assessment board of appeals. (2) The date of any hearing before the county property tax assessment board of appeals. (3) The determination of the county property tax assessment board of appeals. (4) The date of any hearing before the Division of Appeals of the State Board of Tax Commissioners. (5) The determination of the Division of Appeals of the State Board of Tax Commissioners.

The bill allows a taxing unit that receives notice of a hearing to attend the hearing and offer testimony. It changes the circumstances under which a county executive may, upon request by the county assessor, appeal to the Tax Court a final determination or reassessment by the State Board of Tax Commissioners. This bill allows an affected taxing unit under the same circumstances to request a county executive to appeal a final determination or reassessment by the State Board of Tax Commissioners. It also specifies what must be included in the record of a case in which a determination of the State Board of Tax Commissioners is appealed to the Tax Court.

Effective Date: January 1, 2002.

Explanation of State Expenditures: *Notifications by the State Tax Board:* Under current law, the State Tax Board must mail a notice of a State Tax Board review hearing to the taxpayer, township assessor, county assessor, and county auditor. The notice must include the date of the hearing. This bill would require the notice to also include the disputed item's previous year's assessed value, the action taken by the county property tax board of appeals and a statement that a taxing unit in which the appealed AV constitutes at least 1% of the units' gross certified AV from the preceding year (*affected taxing unit*) may attend the hearing. In addition, the State Tax Board would also be required to include a copy of the petition requesting State Tax

Board review in the mailings. The State Tax Board would have to send notice of its final determination to the *affected taxing units*.

Preparation and mailing of these notices would increase State Tax Board costs by a currently indeterminable amount.

Certified Court Record: Under current law, if an appeal of a State Tax Board final determination is made to the Tax Court, the Secretary of the State Tax Board must transmit a certified transcript of the appeal proceedings to the Court. This bill would instead require the Secretary to submit a certified record of proceedings to the Tax Court. The record must include copies of all notices, petitions, motions, photos, and other written documents submitted to the State Tax Board. The record must also include the transcript of the evidence and proceedings at the administrative hearing and copies of all exhibits and physical objects provided during the administrative hearing.

The State Tax Board already includes this information in the transcript of proceedings prepared under current law so there would be no additional expenditures necessary under this provision.

Explanation of State Revenues:

Explanation of Local Expenditures: ***Notifications by County Assessors and County Auditors:*** Currently, the county assessor notifies the county auditor of all assessments under appeal. This proposal would require the county assessor to also notify the State Tax Board of assessments under appeal. The assessor would be required to make both notifications by mail and would be required to include the appellant's name, address, current year AV, and prior year AV.

Under current law, the county auditor must notify *affected taxing units* of the appeal. This notification is made after the township assessor's response to the petition following a preliminary conference between the township assessor and the taxpayer. This bill would instead require the county auditor to send to the *affected units*, a copy of the notification that is sent to the county auditor and State Tax Board.

Preparation and mailing of these notices could increase county assessor and county auditor costs. County auditor and county assessor offices are funded through the county General Fund. Any additional costs would be paid for with existing resources.

Notifications by County Property Tax Assessment Boards of Appeals and County Auditors: Under current law, if there are still items left unresolved after the township assessor's preliminary conference then the county property tax assessment board of appeals must hold a hearing within 90 days of the petition's filing. The county property tax assessment board of appeals is currently required to give notice of the hearing date by mail to the taxpayer and to the township assessor. This bill would also require notices to be sent to the county assessor, county auditor and State Tax Board. All notices would have to contain the current year AV and prior year AV of the disputed items.

The county auditor would be required to forward a copy of the notice to any *affected taxing unit*. The notice from the county property tax assessment board of appeals would also have to state that the *affected taxing unit* may attend the hearing.

After the hearing, the county property tax assessment board of appeals is currently required to send notice of its determination to the taxpayer, the county assessor, and the township assessor. This bill also requires

that the notice of determination be sent to the county auditor, State Tax Board, and any *affected taxing unit*.

Preparation and mailing of these notices could increase county property tax assessment board of appeals costs and county auditors.

Appeals to the Indiana Tax Court by Affected Units: Under current law, the county assessor may request that the county executive appeal a State Tax Board final determination or a reassessment under Court remand if the adjustment causes a refund of the lesser of \$800,000 or 10% of the total tax levies of **all** of the units in the county. Under this proposal, the request could be made if the refund exceeds \$800,000 or 10% of **any one** taxing unit's levy. In addition to a request by the county assessor, this proposal would allow an *affected taxing unit* to request that the county executive initiate an appeal. The bill requires an *affected taxing unit* that requests an appeal to the Tax Court to pay for the appeal. This provision could increase the number of appeals to the Tax Court that are initiated by the counties. Appeals initiated by local units would increase local costs.

Explanation of Local Revenues:

State Agencies Affected: State Board of Tax Commissioners.

Local Agencies Affected: County assessors; County auditors; County property tax assessment boards of appeals.

Information Sources: Bill Waltz, State Board of Tax Commissioners (232-3761).